

ORIGINAL

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02258A
American Realty and Mortgage Co., Inc.
PO Box 232
Wittman, AZ 85361

RECEIVED

SEP 20 2006

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN04	05
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Entered
9-20-06
RF

COMPANY INFORMATION

Company Name (Business Name) <u>American Realty and Mortgage Co., Inc</u>			
Mailing Address <u>P.O. Box 232</u>			
<u>Wittmann</u> (City)	<u>Az</u> (State)	<u>85361</u> (Zip)	
<u>623-388-2949</u> Telephone No. (Include Area Code)	<u>623-388-2413</u> Fax No. (Include Area Code)	<u> </u> Pager/Cell No. (Include Area Code)	
Email Address <u> </u>			
Local Office Mailing Address <u>P.O. Box 640</u>			
<u>Wittmann</u> (City)	<u>Az</u> (State)	<u>85361</u> (Zip)	
<u>623-388-2949</u> Local Office Telephone No. (Include Area Code)	<u> </u> Fax No. (Include Area Code)	<u> </u> Pager/Cell No. (Include Area Code)	
Email Address <u> </u>			

MANAGEMENT INFORMATION

Management Contact: <u>(Sec.) Joseph Wilce</u> <u>Secretary</u>			
<u>P.O. Box</u> (Street)	<u>640</u> (City)	<u>Wittmann</u> (State)	<u>85361</u> (Zip)
<u>623-388-2949</u> Telephone No. (Include Area Code)	<u>623-388-2413</u> Fax No. (Include Area Code)	<u> </u> Pager/Cell No. (Include Area Code)	
Email Address <u> </u>			
On Site Manager: <u>NA</u>			
<u> </u> (Street)	<u> </u> (City)	<u> </u> (State)	<u> </u> (Zip)
<u> </u> Telephone No. (Include Area Code)	<u> </u> Fax No. (Include Area Code)	<u> </u> Pager/Cell No. (Include Area Code)	
Email Address <u> </u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Attorney Joseph W. Lee
 (Name)
P.O. Box 640 Wittmann, AZ 85361
 (Street) (City) (State) (Zip)
623-388-2949 623-388-2413
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Joseph W. Lee
 (Name)
P.O. Box 640 Wittmann AZ 85361
 (Street) (City) (State) (Zip)
623-388-2949 623-388-2413
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) <u>Az Corporation</u> | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

American Realty & Mortgage Co., Inc

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	500		
304	Structures and Improvements	29,294	29,286	6
307	Wells and Springs - sites	2		
311	Pumping Equipment - 2			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains ^{Deprec 10.10/yr}	10,100	8,170	1,930
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	100		100
	TOTALS	39,994	37,456	2036

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

*American Realty & Mort. Co., Inc.***CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR***See Depreciation p. 5*

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	<i>500-</i>	<i>-0-</i>	<i>-0-</i>
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	<i>100-</i>	<i>-0-</i>	<i>-0-</i>
	TOTALS	<i>600</i>	<i>-0-</i>	<i>8339</i>

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

COMPANY NAME

American Realty & Mort. Co., Inc.

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 165	\$ 1,798
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 165	\$ 1,798
	FIXED ASSETS		
101	Utility Plant in Service	\$ 39,994 w/o deprec	\$ 39,994 w/o deprec
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	31,606	37,456
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 8,389	\$ 2,036
	XXXXX		
	TOTAL ASSETS	\$ 8,554	\$ 3,834

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME American Realty & Mort. Co., Inc

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable <i>+ 10% Int</i>	\$ 68,826	\$ 75,708
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 68,826	\$ 75,708
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 68,826	\$ 75,708
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 36,250	\$ 36,250
211	Paid in Capital in Excess of Par Value	<-32,576>	<-39,458>
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$ 36,250
	TOTAL LIABILITIES AND CAPITAL	\$ <95,076>	\$ <-111,958>

COMPANY NAME American Realty & Mort. Co., Inc

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 2545	\$ 5823
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 2545	\$ 5823
	OPERATING EXPENSES		
601	Salaries and Wages <u>Bookkeeping</u>	\$ 1,094	\$ 2,850
610	Purchased Water <u>Lease 14-12 Well</u>	2,400	2,400
615	Purchased Power	3,288	4,830
618	Chemicals <u>Bank Fees</u>	84	84
620	Repairs and Maintenance	626	453
621	Office <u>Supplies and Expense - Rent overhead</u>	5,049	5,049
630	Outside Services		
635	Water Testing	618	145
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense <u>Legal & Secretarial</u>	2,400	2,400
403	Depreciation Expense <u>Accumulated</u>	31,606	37,456
408	Taxes Other Than Income <u>Sales 387 + Env 23</u>	313	410
408.11	Property Taxes	0	1,593
409	Income Tax	-0-	-0-
	TOTAL OPERATING EXPENSES	\$ 47,478	\$ 57,670
	OPERATING LOSS (LOSS)	< \$44,933 >	< \$51,847 >
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ —	\$ —
421	Non-Utility Income	—	
426	Miscellaneous Non-Utility Expenses	—	
427	Interest Expense <u>Accumulated</u>	-21,824	-34,141
	TOTAL OTHER LOSS (EXPENSE)	\$ -21,824	\$ 34,141
	NET LOSS (LOSS)	< \$-66,757 >	< \$-8,598 >

COMPANY NAME American Realty & Mort. Co., Inc

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ X	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME

American Realty & Mort. Co., Inc.

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-803960	5			4"	3/4"	1963

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Leased well & Equipment		\$200/month

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1		1
5,000	1		1

COMPANY NAME American Realty & Mort. Co., Inc

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	Plastic	2600' approx
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	30
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

— C —

STRUCTURES:

— C —

OTHER:

COMPANY NAME: American Realty & Mortgage Co., Inc

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	23	—	75,385
FEBRUARY	22	—	134,871
MARCH	24	—	212,209
APRIL	23	—	185,492
MAY	24	—	341,635
JUNE	24	—	296,285
JULY	25	141,812	606,578
AUGUST	24	1,109,973	547,175
SEPTEMBER	26	—0—	270,781
OCTOBER	26	437,835	451,778
NOVEMBER	26	1,158,685	323,875
DECEMBER	25	—0—	275,208
TOTAL		2,848,305	3,771,250

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☐ No I Do Not Know

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.002 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME American Realty & Mort Co., Inc. YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 1593

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

SEP 20 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Joseph W. Lee, Sec/Treas.</u>
COMPANY NAME
<u>American Realty & Mort. Co., Inc</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE ^{not} CURRENT AND PAID IN FULL.

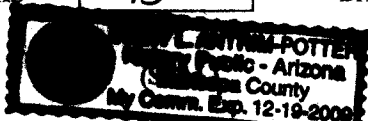
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE ^{not} CURRENT AND PAID IN FULL.

Joseph W. Lee, Secretary
SIGNATURE OF OWNER OR OFFICIAL
623-388-2949
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF



MY COMMISSION EXPIRES Dec. 19, 2009

COUNTY NAME
<u>Maricopa</u>
MONTH <u>September</u> <u>2006</u>

Wayne R. Lee
SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

SEP 20 2006

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME)	Maricopa	
NAME (OWNER OR OFFICIAL)	Joseph W. Lee	TITLE Sec/Treas
COMPANY NAME	American Realty & Mgt Co., Inc	

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 58,231.10
6233

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 410-
IN SALES TAXES BILLED, OR COLLECTED)

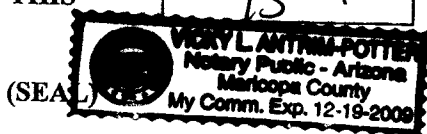
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Joseph W. Lee
SIGNATURE OF OWNER OR OFFICIAL
623-388-2949
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF



MY COMMISSION EXPIRES

12-19-09

NOTARY PUBLIC NAME	Vicky L. Antrim-Potter	
COUNTY NAME	Maricopa	
MONTH	September	2006

X [Signature]
SIGNATURE OF NOTARY PUBLIC